



# House of Representatives

## File No. 610

General Assembly

February Session, 2002

(Reprint of File No. 228)

Substitute House Bill No. 5566  
As Amended by House  
Amendment Schedule "A"

Approved by the Legislative Commissioner  
May 2, 2002

### **AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR AMBULANCE SERVICES.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Section 38a-498 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

3 (a) [Every] Each individual health insurance policy providing  
4 coverage of the type specified in subdivisions (1), (2), (4), (6), (10), (11)  
5 and (12) of section 38a-469 delivered, issued for delivery, [or] renewed  
6 [in this state,] or amended [to substantially alter or change benefits or  
7 coverages, on or after March 1, 1984,] in this state on or after October 1,  
8 2002, shall provide coverage for medically necessary ambulance  
9 services for persons covered by the policy. The hospital policy shall be  
10 primary if a person is covered under more than one policy. The policy  
11 shall, as a minimum requirement, cover such services whenever any  
12 person covered by the contract is transported when medically  
13 necessary by ambulance to a hospital. Such benefits shall be subject to  
14 any policy provision which applies to other services covered by such

15 policies. Notwithstanding any other provision of this section, such  
16 policies shall not be required to provide benefits in excess of [five  
17 hundred dollars for any one medically necessary ambulance service]  
18 the maximum allowable rate established by the Department of Public  
19 Health in accordance with section 19a-177, as amended.

20 (b) (1) Each such individual health insurance policy shall provide  
21 that any payment by such company, corporation or center for  
22 emergency ambulance services under coverage required by this section  
23 shall be paid directly to the ambulance provider rendering such service  
24 if such provider has complied with the provisions of this subsection  
25 and has not received payment for such service from any other source.

26 ~~[(b) (1)]~~ (2) Any ambulance provider submitting a bill for direct  
27 payment pursuant to this section shall stamp the following statement  
28 on the face of each bill: "NOTICE: This bill subject to mandatory  
29 assignment pursuant to Connecticut general statutes".

30 ~~[(2)]~~ (3) This subsection shall not apply to any transaction between  
31 an ambulance provider and an insurance company, ~~[or]~~ hospital or  
32 medical service corporation, health care center or other entity if the  
33 parties have entered into a contract providing for direct payment.

34 Sec. 2. Section 38a-525 of the general statutes is repealed and the  
35 following is substituted in lieu thereof (*Effective October 1, 2002*):

36 (a) Each group health insurance policy providing coverage of the  
37 type specified in subdivisions (1), (2), (4), (6), (11) and (12) of section  
38 38a-469 delivered, issued for delivery, ~~[or]~~ renewed [in this state,] or  
39 amended [to substantially alter or change benefits or coverages, on or  
40 after March 1, 1984, by any insurance company, hospital or medical  
41 service corporation or health care center] in this state on or after  
42 October 1, 2002, shall provide coverage for [emergency] medically  
43 necessary ambulance services for persons covered by the policy. The  
44 hospital policy shall be primary if a person is covered under more than  
45 one policy. The policy shall, as a minimum requirement, cover such

46 services whenever any person covered by the contract is transported  
 47 when medically necessary by ambulance to a hospital. [and is  
 48 admitted to such hospital as an inpatient.] Such benefits shall be  
 49 subject to any policy provision which applies to other services covered  
 50 by such policies. Notwithstanding any other provision of this section,  
 51 such policies shall not be required to provide benefits in excess of [five  
 52 hundred dollars for any one emergency ambulance service] the  
 53 maximum allowable rate established by the Department of Public  
 54 Health in accordance with section 19a-177, as amended.

55 (b) (1) Each such group health insurance policy [delivered, issued  
 56 for delivery or renewed in this state, or amended to substantially alter  
 57 or change benefits or coverages, on or after October 1, 1984, by any  
 58 insurance company, hospital or medical service corporation or health  
 59 care center] shall provide that any payment by such company,  
 60 corporation or center for emergency ambulance services under  
 61 coverage required by this section shall be paid directly to the  
 62 ambulance provider rendering such service if such provider has  
 63 complied with the provisions of this subsection and has not received  
 64 payment for such service from any other source.

65 (2) Any ambulance provider submitting a bill for direct payment  
 66 pursuant to this section shall stamp the following statement on the face  
 67 of each bill: "NOTICE: This bill subject to mandatory assignment  
 68 pursuant to Connecticut general statutes".

69 (3) This subsection shall not apply to any transaction between an  
 70 ambulance provider and an insurance company, [or] hospital or  
 71 medical service corporation, health care center or other entity if the  
 72 parties have entered into a contract providing for direct payment.

This act shall take effect as follows:	
Section 1	<i>October 1, 2002</i>
Sec. 2	<i>October 1, 2002</i>

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Effect	Municipalities	Current FY \$	FY 03 \$	FY 04 \$
Cost	Various Municipalities	-	Potential	Potential

**Explanation**

To the extent that some municipalities do not contain the health coverage specified in the bill, there could be additional costs for municipal health plans.

House "A" is technical and has no fiscal impact.

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**OLR Amended Bill Analysis**

sHB 5566 (as amended by House "A")\*

**AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR  
AMBULANCE SERVICES****SUMMARY:**

This bill eliminates the \$500 maximum ambulance service benefit in certain individual and group health insurance policies and substitutes instead the maximum allowable rate established by the Department of Public Health.

The bill requires individual policies that cover ambulance services to pay directly, by way of assignment, ambulance service providers, if the service was an emergency and (1) complied with the bill and (2) has not been paid from another source. It also adds health care centers and other entities to the list of providers that are exempt from the individual and group policy's direct payment through assignment requirement, if the center or other entity has a direct pay contract with the ambulance service. Under current law, transactions between ambulance service providers and insurers, and hospital or medical service corporations are eligible for the exemption.

Finally, in order to trigger coverage, the bill requires that certain group policies cover ambulance services only when medically necessary. Current law also requires a hospital admission on an inpatient basis.

\*House Amendment "A" restores current law requiring medical necessity for ambulance service reimbursement under individual policies, adds this requirement for group policies, and eliminates for both individual and group policies the requirement that the ambulance service be for emergencies.

EFFECTIVE DATE: October 1, 2002

**INDIVIDUAL AND GROUP HEALTH INSURANCE POLICIES**

The bill applies to individual and group policies that pay (1) basic hospital expenses, (2) basic medical-surgical expenses, (3) major medical expenses, (4) accident only expenses, (5) hospital or medical expenses, and (6) hospital and medical expenses covered by HMO.

The bill also requires individual limited benefit policies to cover ambulance service.

## **BACKGROUND**

### ***Legislative History***

On April 10, the House referred the bill (file 228) to the Planning and Development Committee, which reported it favorably on April 16. On April 18, the House referred it to the Public Health Committee, which reported it favorably on April 22.

## **COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 18      Nay 0

Planning and Development Committee

Joint Favorable Report

Yea 15      Nay 0

Public Health Committee

Joint Favorable Report

Yea 19      Nay 0